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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

22 Cr. 655 (PAC)

5 PETER LEYMAN,

6 Defendant.

7 -----x
8 New York, N.Y.
9 October 4, 2023
11:30 a.m.

10 Before:

11 HON. PAUL A. CROTTY,

12 District Judge

13 APPEARANCES

14 DAMIAN WILLIAMS,

15 United States Attorney for the
Southern District of New York

16 BY: KEVIN B. MEAD

Assistant United States Attorney

17 ROBERT G. STAHL

18 Attorney for Defendant

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1 (Case called)

2 MR. MEAD: Good morning, your Honor. AUSA Kevin Mead
3 appearing for the government.

4 THE COURT: Mr. Mead.

5 MR. STAHL: Good morning, your Honor. Robert Stahl of
6 Stahl/Gasiorowski appearing for Peter Leyman, who is at counsel
7 table.

8 THE COURT: Mr. Leyman, how are you this morning?

9 THE DEFENDANT: Good, your Honor. Thank you.

10 THE COURT: We're here to take Mr. Leyman's plea to
11 Count One.

12 Mr. Stahl, have you explained the procedure to
13 Mr. Leyman?

14 MR. STAHL: I have, your Honor.

15 THE COURT: Please be seated.

16 Swear in Mr. Leyman, please.

17 (Defendant sworn)

18 Please sit down. Make yourself comfortable.

19 Mr. Leyman, I want to remind you that you're under
20 oath and you have to answer truthfully the questions I put to
21 you. If you answer falsely, you can be indicted for another
22 crime, perjury, for making a false statement. If I ask you
23 anything you don't understand, please turn to Mr. Stahl who
24 will clarify for you. All right?

25 THE DEFENDANT: Yes, I understand.

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1 THE COURT: Could you give us your date of birth and
2 your place of birth, please.

3 THE DEFENDANT: 09/19/1974.

4 THE COURT: Where were you born?

5 THE DEFENDANT: Uzbekistan.

6 THE COURT: Are you a citizen of the United States?

7 THE DEFENDANT: Yes.

8 THE COURT: When did you become a citizen?

9 THE DEFENDANT: 2009.

10 THE COURT: How far did you get in school?

11 THE DEFENDANT: I didn't go to school here, I go to
12 school in Russia.

13 THE COURT: How far did you get in that school?

14 THE DEFENDANT: Up to the -- I just finish the school
15 and then I come over here.

16 THE COURT: College or high school?

17 THE DEFENDANT: High school.

18 THE COURT: And have you worked?

19 THE DEFENDANT: Yes.

20 THE COURT: What did you do?

21 THE DEFENDANT: I do construction.

22 THE COURT: Are you currently under the care of a
23 physician or psychiatrist for any mental or emotional problems?

24 THE DEFENDANT: No, nothing.

25 THE COURT: Are you addicted to narcotics?

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1 THE DEFENDANT: No.

2 THE COURT: Have you had any drugs, medicine or pills,
3 or alcoholic beverages in the last 24 hours?

4 THE DEFENDANT: No.

5 THE COURT: Is your mind clear this morning?

6 THE DEFENDANT: Yeah, my mind is clear, yeah.

7 THE COURT: You know what you're doing?

8 THE DEFENDANT: Yes, I know what I'm doing.

9 THE COURT: Mr. Stahl is your attorney?

10 THE DEFENDANT: Yes.

11 THE COURT: Did he give you a copy of the indictment?

12 THE DEFENDANT: Yes.

13 THE COURT: Did you read a copy of the indictment?

14 THE DEFENDANT: Yeah, he read it for me.

15 THE COURT: Do you know what you're being charged
16 with?

17 THE DEFENDANT: Yes.

18 THE COURT: Has Mr. Stahl explained to you the
19 consequences of pleading guilty?

20 THE DEFENDANT: Yes, he has explained to me.

21 THE COURT: Are you satisfied with his counsel,
22 advice, and the representation he's given to you?

23 THE DEFENDANT: Yes, I am.

24 THE COURT: Mr. Leyman, before you plead guilty, I
25 have to advise you of the consequences of your plea and the

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1 valuable rights you are giving up.

2 First of all, you have a right to plead not guilty to
3 the offense charged against you and to persist in that plea.

4 In other words, you don't have to plead guilty.

5 Do you understand that?

6 THE DEFENDANT: Yeah, I understand.

7 THE COURT: You have a right to a trial by jury of
8 12 people. At trial, you would be presumed innocent. The
9 government would have to prove your guilt beyond a reasonable
10 doubt and the jury of 12 would have to be unanimous.

11 Do you understand?

12 THE DEFENDANT: Yeah, I understand.

13 THE COURT: You have the right to the assistance of
14 counsel for your defense and, if necessary, I'll appoint
15 counsel at trial and every stage of the proceeding.

16 Do you understand?

17 THE DEFENDANT: Yes, sir.

18 THE COURT: You have the right to see and hear all the
19 witnesses and have them cross examined on your behalf, and to
20 object to the government's evidence.

21 Do you understand?

22 THE DEFENDANT: Yes, sir, I understand.

23 THE COURT: You have the right to testify and present
24 evidence, and the issuance of subpoenas or compulsory process
25 to compel the attendance of witnesses to testify in your

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1 defense.

2 Do you understand?

3 THE DEFENDANT: Yes, sir.

4 THE COURT: You have the right not to testify and not
5 put on any evidence. If you did that, the jury would be
6 instructed, it would be told it could not consider your
7 decision not to testify or put on any evidence.

8 Do you understand?

9 THE DEFENDANT: Yes, sir.

10 THE COURT: Do you understand that by entering a plea
11 of guilty, if I accept that plea, there'll be no trial, you'll
12 have waived or given up your rights to a trial.

13 Was that discussed with you?

14 THE DEFENDANT: Yeah.

15 THE COURT: Do you understand that by pleading guilty,
16 I'll be able to sentence you just as if a jury had returned a
17 guilty verdict after a full trial on the merits?

18 THE DEFENDANT: Yes, I understand.

19 THE COURT: I have marked as Court Exhibit 1 a letter
20 dated August 22nd, 2023

21 Is that your signature on the final page, Mr. Leyman?

22 THE DEFENDANT: Yes, on the left side, that's my
23 signature.

24 THE COURT: Before you signed this, did you talk to
25 Mr. Stahl?

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1 THE DEFENDANT: Yes, I talked with him.

2 THE COURT: Did you have any questions for Mr. Stahl?

3 THE DEFENDANT: No.

4 THE COURT: Do you have any questions now?

5 THE DEFENDANT: No.

6 THE COURT: Did anybody make any promises or threats
7 to get you to sign this letter?

8 THE DEFENDANT: No, nobody.

9 THE COURT: You signed it voluntarily?

10 THE DEFENDANT: Yes, I signed it myself, yes.

11 THE COURT: Now, at page 1 of this letter, Mr. Leyman,
12 it says that you're going to plead guilty to Count One of the
13 above referenced indictment. This is a conspiracy charge to
14 access, without authorization, the taxi dispatch system of
15 John F. Kennedy Airport for a two-year period between September
16 2019 and September 2021.

17 Count One carries a maximum term of imprisonment of
18 five years, a maximum term of supervised release of three
19 careers, and a maximum fine of the greatest of \$250,000, twice
20 the gross pecuniary gain derived from the offense or twice the
21 gross pecuniary loss to persons, other than the defendant,
22 resulting from this offense, and a mandatory \$100 special
23 assessment.

24 Do you understand that those are the maximums I can
25 impose on you?

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1 THE DEFENDANT: Yes, sir.

2 THE COURT: If you violate the terms of your
3 supervised release, you can be given further time in jail.

4 Do you understand?

5 THE DEFENDANT: Yes, I understand.

6 THE COURT: At the bottom of page 1, Mr. Leyman, it
7 says that you admit the forfeiture allegations with respect to
8 Count One of the indictment and agree to forfeit to the United
9 States, pursuant to Title 18, U.S. Code, Section 1030, a sum of
10 money equal to \$161,658.26.

11 Do you agree that that is the amount for forfeiture --
12 you're agreeing to that amount for forfeiture?

13 THE DEFENDANT: Yes, sir.

14 THE COURT: I have before me a consent preliminary
15 order of forfeiture money judgment, it's signed by you,
16 Mr. Leyman, and Mr. Stahl.

17 Let me ask you if you can identify that as your
18 signature.

19 THE DEFENDANT: Yes, this is my signature on the left
20 side.

21 THE COURT: Why don't you take a look at it.

22 THE DEFENDANT: Yes, this my signature, yes.

23 THE COURT: Mr. Stahl, I'll fill in the blank at the
24 bottom of page 1, which talks about the date for pleading.
25 What this provides for is a money judgment in the amount of

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1 \$161,858.26. That's the amount of proceeds traceable to the
2 offense charged in Count One of the indictment.

3 Pursuant to Rule 32.2(b)(4) of the Federal Rules of
4 Criminal Procedure, this preliminary order of forfeiture is
5 filed as to defendant Peter Leyman and shall be deemed part of
6 the sentence of the defendant and shall be included in the
7 judgment of conviction when we get around to doing the judgment
8 of conviction.

9 Did you and Mr. Stahl discuss your sentencing
10 guidelines?

11 THE DEFENDANT: Yes.

12 THE COURT: Do you understand the guidelines and how
13 they're calculated?

14 THE DEFENDANT: Yes, I understand.

15 THE COURT: Take a look at page 2 of the August 22nd
16 letter. In addition to providing for forfeiture, it also
17 provides that you agree to make restitution in the amount of
18 \$3,469,619.50 to the Port Authority of New York and New Jersey.

19 Do you understand that you're agreeing to make
20 restitution in that amount?

21 THE DEFENDANT: Yes, I understand that.

22 THE COURT: The offense level method of calculation is
23 set forth at page 2 and it provides for an offense level of 25.

24 Do you understand?

25 THE DEFENDANT: Level 25, yes, sir.

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1 THE COURT: And then if you turn to page 3 of the plea
2 agreement, I find that the criminal history category is set at
3 I, resulting in a calculation of the guideline range of 57 to
4 60 months.

5 Do you see how that is calculated?

6 THE DEFENDANT: Yes, sir, I see it.

7 THE COURT: Page 4, Mr. Leyman, neither the probation
8 office nor the court is bound by the above stipulated
9 guidelines either as to questions of fact or determinations of
10 the proper guidelines to apply to the facts.

11 Do you understand?

12 THE DEFENDANT: Yes, I understand.

13 THE COURT: The next paragraph, it is understood that
14 the sentence to be imposed upon the defendant is determined
15 solely by me, stating the court. It is further understood that
16 the guidelines are not binding on the court. The defendant
17 acknowledges the defendant's entry of a guilty plea to the
18 charges maximum authorized sentence in court, to impose any
19 sentence up to and including the statutory maximum.

20 Do you understand?

21 THE DEFENDANT: Yes, sir, I understand.

22 THE COURT: In addition to pleading guilty, you're
23 also agreeing to not file a direct appeal or collaterally
24 attack the sentence if the sentence is within the guideline
25 range of 57 to 60 months at or below 57 to 60 months.

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1 Do you understand?

2 THE DEFENDANT: Yes, I understand.

3 THE COURT: Page 5, Mr. Leyman, top paragraph, it says
4 the defendant hereby acknowledges that the defendant has
5 accepted this agreement and decided to plead guilty because the
6 defendant is in fact guilty.

7 Is that a true statement?

8 THE DEFENDANT: Yes.

9 THE COURT: Now, you're a citizen of the United
10 States?

11 THE DEFENDANT: Yes, I am.

12 THE COURT: Notwithstanding the fact that you're a
13 citizen of the United States, this plea may have consequences
14 with respect to your immigration status. You want to plead
15 guilty and notwithstanding the consequences that might come?

16 THE DEFENDANT: Yes.

17 THE COURT: Mr. Stahl, Mr. Mead, is there anything
18 else you want me to read from the letter of August 22nd?

19 MR. STAHL: No, your Honor.

20 MR. MEAD: No, your Honor. I would like the Court to
21 confirm there are no separate promises apart from those
22 contained in the plea agreement.

23 THE COURT: Mr. Leyman, this is the entire agreement;
24 right?

25 THE DEFENDANT: Yes.

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1 THE COURT: You don't have a separate agreement with
2 the federal government, do you?

3 THE DEFENDANT: No.

4 THE COURT: This is it?

5 THE DEFENDANT: Yeah, this is it.

6 THE COURT: It contains the entire agreement?

7 THE DEFENDANT: Yes.

8 THE COURT: Anything else, Mr. Mead?

9 MR. MEAD: No, your Honor.

10 THE COURT: Will the government please rise now and
11 tell us what the essential elements of the offense are for
12 Count One and how you would establish this with proof at trial
13 beyond a reasonable doubt.

14 MR. MEAD: Yes, your Honor.

15 The defendant is pleading guilty to one count of
16 conspiring to commit a computer intrusion, in violation of
17 Title 18, United States Code, Sections 371 and 1030.

18 In order to prove the defendant's guilt, the
19 government would have to prove the following elements beyond a
20 reasonable doubt:

- 21 1. That a conspiracy to commit computer fraud
22 existed;
- 23 2. That the defendant willfully joined the conspiracy
24 knowing its unlawful objective; and
- 25 3. That one of the coconspirators has taken an overt

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1 act in furtherance of the offense.

2 The government would also need to prove by a
3 preponderance of the evidence that venue is appropriate in the
4 Southern District of New York.

5 In this case, the government has charged a conspiracy
6 to commit computer fraud in two separate ways.

7 The first type of computer fraud that was an object of
8 the conspiracy to access without authorization and obtain
9 information has the following four elements:

10 First, without authorization that a computer was
11 accessed by a conspirator;

12 Second, that the conspirator acted in intentionally;

13 Third, that the conspirator obtained information from
14 a protected computer; and

15 Fourth, that the conspirator acted for the purpose of
16 private financial gain or the devalue of the information
17 obtained was greater than \$5,000.

18 The second type of computer fraud that was an object
19 of the conspiracy was to cause the transmission of a harmful
20 computer program and has the following four elements:

21 First, that the conspirator knowingly caused the
22 unauthorized transmission of a program, or information, or
23 code, or command to a protected computer;

24 Second, that the conspirator caused the transmission
25 of the program with the intent to damage;

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1 Third, the conspirator thereby caused damage; and

2 Fourth, that the conspirator's actions caused a loss
3 aggregating at least \$5,000 in value during any one-year period
4 to one or more persons.

5 The government would prove that the defendant was a
6 member of a conspiracy to hack the taxi dispatch system at
7 JFK Airport between approximately September 2019 and September
8 2021, and to sell access to taxis via that system, and that the
9 defendant knew the operations and aims of the conspiracy.

10 The government's evidence would establish that members
11 of the conspiracy accessed the taxi dispatch system and
12 obtained information from it without authorization for the
13 purpose of financial gain, and that members of the conspiracy
14 caused the unauthorized transmission of information or code, it
15 deliberately altered the data in the taxi dispatch system, and
16 thereby caused more than \$5,000 in harm to the Port Authority
17 that administers JFK Airport.

18 In furtherance of the conspiracy, the defendant wired
19 money to a coconspirator in Russia, the coconspirator sent
20 messages to taxi drivers in the United States.

21 The government's evidence would further establish that
22 the computers in the taxi dispatch system were used in or
23 affecting interstate or foreign commerce.

24 And the government's evidence would include, among
25 other things, coconspirator messages and voice notes,

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1 recordings made by confidential sources, technical evidence of
2 the unauthorized access of the dispatch system, financial
3 records, and records from the Port Authority establishing that
4 the cost of dealing with the unauthorized access cost more than
5 \$5,000.

6 As to venue, the government's evidence would
7 establish:

8 One, that a coconspirator provided direction to the
9 defendant about the scheme while the coconspirator was in
10 Manhattan; and

11 Two, that financial proceeds of the conspiracy were
12 transferred through banks located in the Southern District of
13 New York to coconspirators.

14 THE COURT: Mr. Stahl, you've conducted an
15 investigation of this matter?

16 MR. STAHL: I have, your Honor.

17 THE COURT: Do you have any reason why Mr. Leyman
18 should not plead guilty?

19 MR. STAHL: I do not.

20 THE COURT: Mr. Leyman, how do you plead?

21 THE DEFENDANT: Guilty.

22 THE COURT: Will you rise now and tell us why you're
23 guilty, what you did.

24 THE DEFENDANT: Between September 2019 and September
25 2021, in the Southern District of New York, I conspired with

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1 others to hack the taxi dispatch system at JFK Airport. The
2 taxi dispatch system determined the order of waiting taxi line
3 between the -- from the holding lot to the pick up passenger
4 point.

5 The dispatch computer system was connected to the
6 internet and the conspiracy did not have authorization to
7 access, but we did so. I and my coconspirators did not
8 change -- did so charge the taxi drivers \$10, jump to the head
9 of the line waiting taxi to pick up the arriving passengers at
10 JFK terminals.

11 My main role in conspiracy was to pick up the money,
12 collect it from the taxi drivers, and I did so a number of the
13 occasions. I acknowledge --

14 THE COURT: Mr. Leyman -- excuse me. I cut you off.
15 Want to finish what you were saying.

16 THE DEFENDANT: I did so knowledge and willing.

17 THE COURT: I'm having difficulty understanding
18 Mr. Leyman. You were reading from a prepared statement;
19 correct?

20 THE DEFENDANT: Yes, sir.

21 THE COURT: And you worked on that statement yourself;
22 is that correct?

23 MR. STAHL: He worked on it with counsel, your Honor.

24 THE COURT: Would you mind reading the statement into
25 the record, Mr. Stahl.

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1 MR. STAHL: Sure.

2 "Between September 2019 to September 2021, in the
3 Southern District of New York and elsewhere, I conspired with
4 others to hack the taxi dispatch system at JFK International
5 Airport. The taxi dispatch system determined the order of
6 waiting taxis to be dispatched from a holding lot to pick up
7 passengers at the terminals.

8 "The dispatch computer system was connected to the
9 internet and the coconspirators did not have authorization to
10 access it, but did so. "I" meaning Mr. Leyman "and my
11 coconspirators did so to charge taxi drivers \$10 to jump to the
12 head of the line of waiting taxis to pick up arriving
13 passengers at JFK terminals.

14 "My" meaning Mr. Leyman "main role in the conspiracy
15 was to pick up the monies, collect it from the taxi drivers,
16 and did so on a number of occasions. I did so knowingly and
17 willfully."

18 THE COURT: Thank you.

19 Is that plea adequate for your purposes, Mr. Mead?

20 MR. MEAD: Yes, your Honor.

21 THE COURT: For you, Mr. Stahl?

22 MR. STAHL: Yes, your Honor.

23 THE COURT: Please be seated.

24 It's the finding of the Court in the case of the
25 United States of America against Peter Leyman that Mr. Leyman

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1 is fully competent and capable of entering an informed plea.
2 He's aware of the nature of the charges and the consequences of
3 the plea of guilty. The plea of guilty is knowing, voluntary,
4 supported by an independent basis in fact containing each of
5 the essential elements of the offense. I therefore accept the
6 plea and adjudge Mr. Leyman guilty of the offense charged in
7 22 Cr. 655.

8 Do you have a date for sentencing?

9 THE DEPUTY CLERK: January 3rd, 2024, at 11:30 a.m.

10 THE COURT: Is that suitable for you, Mr. Stahl?

11 MR. STAHL: Your Honor, I would ask for it to be the
12 next week because I'll still be on a family holiday.

13 THE COURT: Okay. Next week.

14 THE DEPUTY CLERK: January 11.

15 THE COURT: How does that suit you?

16 THE DEPUTY CLERK: That is fine, your Honor. Thank
17 you.

18 THE COURT: Mr. Mead.

19 MR. STAHL: Same time, 11:00 a.m.?

20 THE DEPUTY CLERK: 2:30 p.m.

21 MR. STAHL: 2:30, thank you.

22 THE COURT: For the government.

23 MR. MEAD: Fine for the government, your Honor.

24 THE COURT: Bail will be continued.

25 Anything else to do today?

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1 MR. MEAD: No, your Honor.

2 MR. STAHL: No, your Honor.

3 THE COURT: Thank you.

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